Fukuyama Automation Sdn Bhd v Xin Xin Engineering Sdn Bhd & Ors

HIGH COURT (SHAH ALAM) — CIVIL SUIT NO 22NCVC-489–04 OF 2012
YAACOB MD SAM J
8 SEPTEMBER 2014

Civil Procedure — Pleadings — Parties bound by pleadings — Claim for infringement of patent — Pleadings not specifically identifying which parts of defendants' product infringed plaintiff's patent

Patents — Infringement — Right to sue — Plaintiff taking assignment of patent from patent holder — Whether deed of assignment conferred absolute rights on plaintiff — Whether deed of assignment merely intended to be licence to manufacture — Patents Act 1983 s 61

Patents — Infringement — Whether defendant's product infringed patent — Validity of patent — Whether plaintiff's patent possessed inventive steps and was novel — Whether plaintiff's patent formed part of the state of the art and was anticipated by prior publication — Failure to produce infringing article in court — Whether infringement established — Patents Act 1983 ss 14 & 56(2)(a)

The plaintiff was involved in the manufacturing, sale and installation of glove stripping machine. Fukuyama Netukan Co Pte ('Fukuyama') was the registered proprietor of Malaysia Patent No MY-124182-A ('the Malaysian patent') relating to 'an apparatus for the peeling off thin film material'. By virtue of a deed of assignment dated 11 July 2011 ('the deed') between Fukuyama and the plaintiff, the plaintiff took an assignment to the Malaysian patent. The plaintiff subsequently recorded the assignment with the Perbadanan Harta Intelek Malaysia ('MyIPO'). The second defendant was the sole proprietor of Xin Xin Engineering and Trading Sdn Bhd. The second defendant was also the director and shareholder of the first defendant company. The plaintiff discovered that the defendants were selling auto stripping machines at lower price. The plaintiff also discovered that the defendants were attempting to register for a patent for an invention titled 'Apparatus and Method For Unmolding a Flexible Film Article'. The most significant claim in the Malaysian patent was that of a horizontal apparatus for the peeling off a thin film material. The plaintiff thus claimed that the defendants had infringed the said Malaysian patent by producing and selling the apparatus which consisted similar features in respect of the granted patent of the plaintiff. The issues arising to be tried

were: (a) whether the plaintiff was entitled to bring this action against the defendants in respect of the Malaysian patent; (b) whether the Malaysian patent was valid; (c) whether the Malaysian patent possessed inventive steps and was novel; and (d) whether the defendants had infringed the Malaysian patent. The defendants contended that the Malaysian patent formed part of the state of the art and was anticipated by the prior publication of the following prior arts, that was the Japanese patent. The defendants also contended that the deed did not confer absolute rights to the plaintiff to bring this claim by way of assignment. It was contended that the assignor had only intended to give the plaintiff (assignee) a licence to manufacture.

Held, dismissing the claim and allowing the counterclaim with costs:

(1) The pleadings did not specifically plead which parts of the defendants' glove stripping machine infringed which one of the four granted claims. What was pleaded was that the defendants had sold glove stripping machines which infringed the Malaysian patent (see para 52).

(2) The question whether there has been infringement must be considered by comparing the alleged infringing article with the claim said to be infringed. In other words, there must be an actual article of the product. There was no article of the defendants' glove stripping machine produced in court to show any evidence on which parts of the defendants' glove stripping that had infringed the four granted claims of the Malaysian patent. The plaintiff could not merely compare the operational manual and certificate of warranty and a video clipping of the defendants' glove stripping machine to proof on patent infringement (see paras 55–56).

(3) To determine whether a patentee's claim has been anticipated by an earlier publication, it is necessary to compare the features of the claims of the patent with the features of the prior art. For alleged prior art document to defeat the novelty of a patent claim, all of the integers in the said patent claim must be directly and clearly disclosed by the said document (see paras 61 & 65).

(4) Each of claims 1–4 of the Malaysian patent was simply filed too late by more than one year after the publication of the Japanese patent, that was the prior art. The last possible date to validly file the Malaysian patent was 19 December 1995. The Malaysian patent was filed on 19 January 1998, thus destroying the newness of the claimed invention (see para 75).

(5) The Japanese patent's documents disclosed integers that had defeated the novelty of the plaintiff's claim. All the elements found in the plaintiff's patent claim 1–4 were found in the Japanese patent. Thus, the plaintiff's invention did not meet the requirements of s 14 of the Patents Act 1983 ('the Act') to be patentable under s 11 of the Act. The plaintiff's patent was thereby invalid for lack of novelty (see para 76).

(6) The deed was not an absolute assignment. The assignor only intended to give the plaintiff (assignee) a licence and right to manufacture the machinery directly within the territory. The assignor still retained and controlled ownership of the patent. The deed clearly showed that Fukuyama had only assigned the patent to the plaintiff which was conditional (see para 91).

(7) The plaintiff failed to show any document satisfying the pre-conditions of s 61 of the Act that they had requested the owner of the patent (Fukuyama) to institute the proceedings and neither was there proof that Fukuyama had refused to institute proceedings within three months from the receipt of the request (see para 93).

(8) Since the invention lacked novelty, any patent granted would be invalid under s 56(2)(a) of the Act. The plaintiff also failed to proof its case on the balance of probabilities that the defendants had infringed the Malaysian patent (see paras 94–95).

[Bahasa Malaysia summary

Plaintif terlibat dalam pengilangan, jualan dan pemasangan mesin penanggalan sarung tangan. Fukuyama Netukan Co Pte ('Fukuyama') ialah pemilik berdaftar Paten Malaysia No MY-124182-A ('paten Malaysia') berkaitan 'an apparatus for the peeling off thin film material'. Menurut surat ikatan penyerahakan bertarikh 11 Julai 2011 ('surat ikatan itu') antara Fukuyama dan plaintif, plaintif telah membawa penyerahan hak kepada paten Malaysia. Plaintif kemudian telah merekodkan penyerahan hak itu dengan Perbadanan Harta Intelek Malaysia ('MyIPO'). Defendan kedua adalah pemilik tunggal Xin Xin Engineering dan Trading Sdn Bhd. Defendan kedua juga ialah pengarah dan pemegang saham syarikat defendan pertama. Plaintif mendapati bahawa defendan-defendan menjual mesin-mesin penanggalan auto itu pada harga lebih rendah. Plaintif juga mendapati bahawa defendan-defendan telah cuba mendaftar untuk paten satu rekaan bertajuk 'Apparatus and Method For Unmolding a Flexible Film Article'. Tuntutan paling ketara dalam paten Malaysia adalah tentang perkakas mendatar untuk menanggal bahan filem nipis. Plaintif oleh itu mendakwa bahawa defendan-defendan telah melanggar paten Malaysia tersebut dengan menghasil dan menjual perkakas yang mengandungi ciri-ciri sama berkaitan paten yang telah diberikan kepada plaintif. Isu-isu yang timbul untuk ditentukan adalah: (a) sama ada plaintif berhak memulakan tindakan ini terhadap defendan-defendan berkaitan paten Malaysia itu; (b) sama ada paten Malaysia adalah sah; (c) sama ada paten Malaysia memiliki langkah-langkah ciptaan dan adalah baru; dan (d) sama ada defendan-defendan telah melanggar paten Malaysia. Defendan-defendan telah berhujah bahawa paten Malaysia membentuk sebahagian daripada ciptaan terkini dan dijangka oleh keluaran sebelum terhadap ciptaan sebelum yang berikutnya, iaitu paten Jepun. Defendan-defendan juga berhujah bahawa surat ikatan itu tidak memberikan

hak mutlak kepada plaintif untuk memulakan tuntutan ini melalui penyerahan hak. Ia dihujahkan bahawa penyerah hak hanya berniat untuk memberikan plaintif (penerima serah hak) lesen untuk mengilang.

Diputuskan, menolak tuntutan dan membenarkan tuntutan balas dengan kos:

(1) Pliding itu tidak menyatakan pli bahagian mana mesin penaggalan sarung tangan defendan-defendan yang telah melanggar salah satu daripada empat tuntutan yang diberikan. Apa yang diplikan adalah bahawa defendan-defendan telah menjual mesin-mesin penanggalan sarung tangan yang melanggar paten Malaysia (lihat perenggan 52).

(2) Persoalan sama ada terdapat pelanggaran perlu dipertimbangkan dengan membandingkan artikel yang dikatakan melanggar itu dengan tuntutan yang dikatakan telah melanggar itu. Dalam erti kata lain, perlu ada artikel sebenar produk itu. Tiada artikel tentang mesin penanggalan sarung tangan defendan-defendan yang telah dikemukakan dalam mahkamah untuk menunjukkan apa-apa keterangan berkenaan bahagian mana penanggalan sarung tangan defendan-defendan yang telah melanggar empat tuntutan yang diberikan paten Malaysia. Plaintif tidak boleh hanya membandingkan manual operasi dan sijil waranti dan klip video mesin penanggalan sarung tangan defendan-defendan untuk membuktikan pelanggaran paten itu (lihat perenggan 55–56).

(3) Bagi menentukan sama ada tuntutan pemunya paten telah dijangkakan oleh keluaran terdahulu, adalah perlu untuk membandingkan ciri-ciri tuntutan paten dengan ciri-ciri ciptaan terdahulu. Untuk dokumen ciptaan terdahulu dikatakan itu telah menggagalkan kebaharuan tuntutan paten, kesemua integer-integer dalam tuntutan paten tersebut hendaklah dinyatakan secara langsung dan jelas melalui dokumen tersebut (lihat perenggan 61 & 65).

(4) Setiap Tuntutan-tuntutan 1–4 paten Malaysia itu telah difailkan lewat melebihi satu tahun selepas keluaran paten Jepun , iaitu ciptaan terdahulu. Tarikh akhir yang mungkin sah untuk memfailkan paten Malaysia itu adalah 19 Disember 1995. Paten Malaysia itu telah difailkan pada 19 Januari 1998, dengan itu mengatasi kebaharuan rekaan yang dituntut (lihat perenggan 75).

(5) Dokumen-dokumen paten Jepun itu mendedahkan integer-integer yang telah mengatasi kebaharuan tuntutan plaintif. Kesemua elemen yang didapati dalam Tuntutan 1–4 paten plaintif didapati dalam paten Jepun itu. Oleh itu, rekaan plaintif tidak memenuhi keperluan s 14 Akta Paten 1983 ('Akta tersebut') untuk dipatenkan di bawah s 11 Akta tersebut. Paten plaintif dengan itu tidak sah kerana tidak baharu (lihat perenggan 76).

(6) Surat ikatan itu bukan penyerahakan mutlak. Pemberi serah hak hanya berniat untuk memberikan plaintif (penerima serah hak) lesen dan hak untuk membuat mesin itu secara langsung dalam daerah itu. Pemberi serah hak masih mengekal dan mengawal milikan paten itu. Surat ikatan itu jelas menunjukkan bahawa Fukuyama hanya menyerah hak paten itu kepada plaintif yang bersyarat (lihat perenggan 91).

(7) Plaintif gagal menunjukkan apa-apa dokumen yang memenuhi prasyarat s 61 Akta tersebut bahawa mereka telah meminta pemilik paten itu (Fukuyama) untuk memulakan prosiding dan tiada bukti bahawa Fukuyama enggan memulakan prosiding dalam tempoh tiga bulan daripada penerimaan permintaan itu (lihat perenggan 93).

(8) Oleh kerana rekaan itu tidak baharu, apa-apa paten yang diberikan tidak sah di bawah s 56(2)(a) Akta tersebut. Plaintif juga gagal membuktikan kesnya atas imbangan kebarangkalian bahawa defendan-defendan telah melanggar paten Malaysia (lihat perenggan 94–95).]]]

Notes

For cases on infringement in general, see 10(1) *Mallal's Digest* (5th Ed, 2015) paras 1265–1299.

For cases on parties bound by pleadings, see 2(3) *Mallal's Digest* (4th Ed, 2014 Reissue) paras 6840–6846.

For cases on whether defendant's product infringed patent, see 10(1) *Mallal's Digest* (5th Ed, 2015) paras 1294–1296.

Cases referred to

General Tire and Rubber Co v Firestone Tyre and Rubber Co Ltd [1972] RPC 457, CA (refd)

Kendek Industry Sdn Bhd v Ecotherm (TFT) Sdn Bhd [2010] MLJU 333; [2010] 10 CLJ 219, HC (refd)

McGhan Medical UK Ltd v Nagor Ltd and another [2001] All ER (D) 361 (Feb), Ch D (refd)

NEP Holdings (Malaysia) Berhad v CK Filtration Technology Sdn Bhd [2013] 1 LNS 516, HC (refd)

Premier Products Co Ltd & Anor v Zamrud Fibre Industries (M) Sdn Bhd & Anor [1994] MLJU 153; [1994] 4 CLJ 1043, HC (refd)

Seng Kong Shutter Industries Sdn Bhd & Anor v SKB Shutters Manufacturing Sdn Bhd [2014] 5 MLJ 98; [2014] 4 CLJ 1037, CA (refd)

Windsurfing International Inc v Tabur Marine (Great Britain) Ltd [1985] RPC 59, CA (refd)

Legislation referred to

Patents Act 1983 ss 11, 14, 14(2)(a), (3)(a), 15, 56(2)(a), 61

K C Ang (CP Ang & Co) for the plaintiff.

Ravin Woodhull (Wong Huei Niang with him) (Huei & Co) for the defendants.

Yaacob Md Sam J:

INTRODUCTION

[1] This action involves a Malaysian Patent No MY-124182-A ('the Malaysian patent'). The suit is by the plaintiff against the defendants for allegedly infringing the said patent. The plaintiff seeks the following relief and orders:

(a) suatu deklarasi bahawa:

(i) plaintif adalah pemilik sah untuk Paten Malaysia No MY-124182-A;

(ii) Paten Malaysia No MY-124182-A adalah sah dan berkekalan; dan

(iii) defendan-defendan telah melanggari Paten Malaysia No MY-124182-A.

(b) suatu injunksi untuk menghalang defendan-defendan samada bertindak sendiri atau melalui pengarah-pengarahnya, pegawai-pegawainya, pengkhidmat-pengkhidmatnya, ejen-ejennya dan/atau penerima-penerima serah haknya atau mana-mana di antara mereka atau sebaliknya daripada melakukan mana-mana daripada perbuatan-perbuatan yang disenaraikan di bawah, iaitu:

(i) melanggari dan/atau menyebabkan atau membantu orang lain untuk melanggari Paten Malaysia No MY-124182-A;

(ii) mengelirupakan atau cuba mengelirupakan atau menyebabkan, membolehkan atau membantu pihak-pihak lain untuk mengelirupakan rekacipta plaintif, sama ada dengan mengilang, mengimport, mengeksport, mengedar, menjual atau menawar untuk jualan mana-mana peralatan yang mempunyai rekabentuk dan ciri-ciri rekacipta plaintif tersebut atau mana-mana rekabentuk dan ciri-ciri yang lain yang sama dengan cara yang mengelirukan atau memperdayakan dengannya atau merupakan tiruan yang hampir-hampir sama dengannya; dan

(iii) mengambil dan menyalahgunakan dan/atau menyebabkan, membolehkan atau membantu pihak-pihak lain untuk mengambil dan menyalahgunakan reputasi, nama baik dan manfaat komersial plaintif, salah-nyataan kepada atau memperdayakan orang awam untuk membuat tanggapan wujudnya perhubungan atau kaitan perdagangan di antara defendan-defendan dan plaintif dengan mengilang, mengimport, mengeksport, mengedar, menjual atau menawar untuk jualan peralatan-peralatan yang mempunyai reka-bentuk dan ciri-ciri peralatan plaintif tersebut.

(c) satu perintah yang mengarahkan defendan, dalam tempoh tujuah (7) hari daripada tarikh sesalinan perintah ini disampaikan, untuk menghantar-serah kepada plaintif atau peguamcara plaintif kesemua peralatan-peralatan defendan-defendan yang melanggari Paten Malaysia No. MY-124182-A yang berada di dalam milikan, jagaan, kawalan atau kuasa defendan-defendan, pengarah-pengarahnya, pegawai-pegawainya, pengkhidmat-pengkhidmatnya, ejen-ejennya dan/atau penerima-penerima serah haknya, dan melalui seorang pengarah, mengikrarkan satu afidavit yang menentusahkan bahawa defendan-defendan tidak lagi mempunyai dalam milikan, jagaan, kawalan atau kuasanya peralatan-peralatan yang melanggari Paten Malaysia No. MY-124182-A sedemikian dan pada masa yang sama menyampaikan satu salinannya ke atas peguamcara plaintif;

(d) satu perintah mengarahkan defendan-defendan dengan segera memberikan kesemua dokumen-dokumen relevan termasuk bil-bil muatan, surat-surat kredit, perakuan asal-usul, polisi-polisi insurans, dokumen-dokumen import, pesanan belian, pesanan hantar-serah, bil-bil, invois-invois, resit-resit, kontrak-kontrak, rekod-rekod dan akaun-akaun dan dokumen-dokumen lain berhubung dengan pembelian, pengimportan, pengedaran, pengiklanan, urusan, jualan dan tawaran untuk jualan peralatan-peralatan defendan-defendan yang melanggari Paten Malaysia No. MY-124182-A oleh defendan-defendan dan dalam tempoh tujuh (7) hari dari tarikh penyampaian perintah ini, melalui seorang pengarah, hendaklah mengikrarkan satu afidavit yang mengeksibitkan padanya salinan-salinan dokumen-dokumen tersebut dan pada masa yang sama menyampaikan satu salinannya kepada peguamcara plaintif;

(e) satu perintah mengarahkan defendan-defendan melalui pengarah-pengarahnya, pegawai-pegawainya, pengkhidmat-pengkhidmatnya, ejen-ejennya dan/atau penerima-penerima serah haknya, dengan segera memusnahkan atau menyebabkan supaya dimusnahkan kesemua alat-tulis, bahan bercetak, kepala surat, papan-papan tanda, kad-kad perniagaan, nahan-bahan pengiklanan/promosi, bahan-bahan pembungkusan, bahan-bahan dan kesemua dokumen-dokumen lain berkaitan dengan peralatan-peralatan defendan-defendan yang melanggari Paten Malaysia No. MY-124182-A yang berada dalam milikan, kawalan, jagaan atau kuasa defendan-defendan, pengarah-pengarahnya, pegawai-pegawainya, pengkhidmat-pengkhidmatnya, ejen-ejennya dan/atau penerima-penerima serah haknya dan melalui seorang pengarah hendaklah, dalam tempoh tujuh (7) hari dari tarikh perintah ini, memfailkan satu afidavit yang mengesahkan bahawa defendan-defendan tidak lagi mempunyai dalam milikan, jagaan, kawalan atau kuasanya mana-mana daripada bahan-bahan bercetak adan bahan-bahan tersebut dan pada masa yang sama menyampaikan satu salinan daripadanya ke atas peguamcara plaintif;

(f) satu siasatan mengenai gantirugi atau atas pilihan plaintif, satu akaun keuntungan dan satu perintah untuk pembayaran kepada plaintif kesemua jumlah yang didapati kena dibayar setelah membuat siasatan sedemikian atau mengambilkira akaun sedemikian;

(g) faedah pada kadar 4% setahun atas jumlah gantirugi yang diberi oleh mahkamah ini;

(h) kos; dan

(i) apa-apa relif yang difikirkan wajar oleh mahkamah ini.

THE DEFENDANTS' COUNTERCLAIM

[2] The plaintiff's claim is disputed by the defendants. The defendants in turn have filed counterclaimed against the plaintiff for the following relief and orders:

(i) satu deklarasi bahawa produk defendan-defendan dalam tuntutan balas tidak melanggari Malaysia Paten No. MY-124182-A;

(ii) satu deklarasi bahawa Malaysia Paten No. MY-124182-A pada setiap masa material dan sekarang adalah tidak sah;

(iii) satu deklarasi di bawah seksyen 56 dan 57 Akta Paten 1983 bahawa keseluruhan tuntutan 1 hingga 4 Malaysia Paten No. MY-124182-A dipanggil 'Apparatus for peeling off thin film materials' adalah tidak sah dan tuntutan 1 hingga 4 tersebut adalah dianggap sebagai tidak sah dan terbatal di Malaysia yang mana alasan-alasan bagi ketidaksahan tuntutan tersebut telah dinyatakan secara terperinci di dalam butiran-butiran bantahan, dan jika sekiranya deklarasi ini diberikan, maka perintah selanjutnya adalah seperti berikut:

(a) bahawa Malaysia Paten No. MY-124182-A adalah pada setiap masa material tidak sah dari tarikh pemfailan;

(b) defendan pertama dan kedua dalam tuntutan balas berhak dan bebas untuk penyelidikan lanjut, mengembangkan dan memperbaik bidang penanggalan sarung tangan secara otomatik.

(iv) satu salinan perintah yang dimaterai diserahkan kepada Pendaftar Patent yang seterusnya mesti merekodkan deklarasi tersebut di dalam Pendaftaran paten (Register of Patent) dan mestilah diterbitkan di dalam warta kerajaan dan dalam surat khabar untuk terbitan seluruh Malaysia;

(v) injunksi kekal untuk menghalang Fukuyama Automation Sdn Bhd, Liu Then Tui, Tan Yew Wong, Yew Lee Pacific Manufacturer Sdn Bhd, Ang Lee Leong, Chee Wai Ying, Yew Lee Pacific Holding Sdn Bhd dan Ang Lee Seng samada secara sendiri, atau melalui pekerja-pekerja, pengarah-pengarah atau sesiapa sahaja daripada menggunakan Malaysia Paten No. MY-124182-A dalam apa jua bentuk dan apa jua cara sekali pun;

(vi) kos ditanggung oleh plaintif;

(vii) satu perintah bagi kerosakan yang mesti dinilai oleh mahkamah yang dialami oleh defendan-defendan dalam tuntutan balas akibat daripada permohonan Malaysia Paten No. MY-124182-A yang mengandungi fraud dan tort konspirasi, tort konspirasi untuk menyebabkan perlanggaran kontrak (tort of inducing a breach of contract), tort gangguan perniagaan dan torts yang lain yang menyebabkan defendan-defendan dalam tuntutan balas kehilangan klien-klien mereka;

(viii) gantirugi teruk dan teladan;

(ix) gantirugi am;

(x) faedah;

(xi) kos; dan

(xii) mana-mana relif selanjutnya atau lainnya yang difikirkan patut dan wajar oleh mahkamah ini dalam hal keadaan di sini.

THE PLAINTIFF

[3] The plaintiff is a company dealing in the manufacturing, sale and installation of glove stripping machine.

[4] Fukuyama Netukan Co Pte is the registered proprietor of Malaysia Patent No MY-124182-A (herein after referred to 'Malaysian patent') relating to 'an apparatus for the peeling off thin film material'.

[5] By virtue of a deed of assignment dated 11 July 2011 between Fukuyama Netukan Co Ltd and the plaintiff, the plaintiff took an assignment to the Malaysian patent (pp 1–7 Bundle D1).

[6] The plaintiff subsequently recorded the assignment with the Perbadanan Harta Intelek Malaysia ('MYIPO') (p 51 Bundle C1).

THE DEFENDANTS

[7] The first defendant is a company having a registered address at No 73, Jalan Rawang 3, Rawang, Selangor and a business address at No 23 & 25 Jalan Kemunting 2D, Section BS3, Bukit Sentosa Light Industrial Park, Rawang, Selangor.

[8] The second defendant is the sole proprietor of Xin Xin Engineering and Trading Sdn Bhd. The second defendant is also the director and shareholder of the first defendant company.

THE MALAYSIAN PATENT NO MY-124281-A

[9] The Malaysian patent ('P2' : pp 1–48 *Ikatan Dokumen Bersama* C1) claims as invention which relates to an apparatus for peeling off a thin film material, more particularly to an apparatus for peeling off a thin film material, which is used for a manufacturing line of a thin film material such a glove which is comprised of plastic or rubber. It is described in a case where gloves are formed as they are adhered to the surface of each mold, so gloves should be peeled of each mold at a process after solidifying the liquid which is adhered to the surface of each mold. In that case, there is a problem in that workers peel the gloves off the moldd with their hands; thus personnel expenses mount, and at the same time the production efficiency cannot improved because of the poor efficiency at peeling the glove off the mold.

[10] The plaintiff claimed that the invention as disclosed in the Malaysian patent has been developed in view of the above described circumstances, and has as its object to provide an apparatus for peeling off a thin film material which can peel the thin film such as a glove off a mold automatically, and securely, without the need of workers.

[11] It is stated in the 'Summary of the Invention', that in order to achieve the above-described objects 'the present invention consists of an apparatus for peeling off a thin material to dip a mold into a dipping pool to adhere dipping liquid on the surface of the mold, to solidly the dipping liquid which is adhered to the surface of the mold, and to peel the thin film such as a glove, formed on the surface mold, off the mold, the apparatus comprises: a rolling means to roll the hem end of the mold, to the outside; an unrolling means to unroll the hem end of the thin film material which is rolled by the rolling means; an engaging means which has at least a pair of engaging nails to face each other across the mold, and engages the hem end of the thin film material by the unrolling means; and wherein the engaging means moves to the tip side of the thin film material while moving together with the mold in the state where the engaging means in engaged with the hem of the thin film material, and peels the thin film material off the mold'.

[12] It was intended by the inventor that Claim 1, 3 and 4 relates to the horizontal apparatus when the parentheses 300 is used to refer to the apparatus at the beginning of each Claim 1, 2 and 4. It is claimed in Claim 1 that the rolling, unrolling means and engaging nails is to be used in a horizontal apparatus. It is further claimed in Claim 3 that the engaging nails is to be operated in a horizontal apparatus and in Claim 4 that the unrolling is to be operated in a horizontal apparatus.

[13] The next significant claim is the use of a pair of engaging nails which is

also referred to as single nails. The use of single nails is referred to in Claim 1 as 'at least a pair of engaging nails' and is further illustrated in Figure 18–22 of the Malaysian patent (pp 43–47 Bundle C1).

[14] The Malaysian patent was granted on 30 June 2006. The application for a grant of patent was filed on 10 January 1998 ('P4').

THE TRIAL

[15] The plaintiff called three witnesses, Liu Then Tui ('PW1') the director of the plaintiff company, Ang Lee Leong (PW2) the director of Yew Lee Pacific Manufacturer Sdn Bhd, Hong Kam Huat ('PW3') the director/engineer of Green Stocks Sdn Bhd.

[16] The defendants called six witnesses, Wong Thiam Fook ('DW1') the director of the first defendant company, Koh Chew Liang (SP2) a factory manager, Johan bin Sajuri ('DW3') a director and manufacturing factory owner, Lee Hon Min ('DW4') a project manager, and David Alan Wyatt ('DW5') a pattern attorney and executive director, and Naidu a/l Appanan ('DW6') a qualified Malaysian patent agent.

THE PLAINTIFF'S CASE

[17] PW1 (Liu Then Tui) has been the director of the plaintiff company since its incorporation on 7 March 2011. According to PW1, the plaintiff came to be in the glove stripping industry when the plaintiff obtained an assignment of the rights and interests of the patent known as Malaysia Patent No MY-124182-A. The registered owner of the patent is Fukuyama Nentukan Co Ltd. The plaintiff executed a deed of assignment dated 5 May 2011 with Fukuyama Nentukan Co Ltd. The assignment was subsequently registered with Perbadanan Harta Intelek (MyIPO). The filing date was on 10 January 1998 and the date of the grant of patent was 30 June 2006.

[18] PW1 claimed that the Malaysian patent relates to an invention titled 'Apparatus for peeling off thin film material'. PW1 explained the process of the plaintiff's auto stripping machine works as follows:

(a) a mold is dipped into a liquid compound (which can be natural latex, nitrile of vinyl). Then a thin film is formed on the mold;

(b) the process is to strip the thin film material from the mold;

(c) the thin film formed on the mold will have to be rolled down at the hem (normally called cuff). In the contact of the patent, this is called the 'Rolling Means'. This is done prior to the mold being passed to the

stripping machine. This means that the process is done on the main glove line. This is done using the brushes;

(d) then the mold with film material which has been rolled down at the hem (cuff) is transported to the stripping machine;

(e) then the engaging nails (normally called the chuck jaws) which is used in pairs comes together on the mold just a little away from the roll down area. This is called the 'Engaging Means' on the patent;

(f) the thin film material is then peeled off the mold by a combinations of peeling off mechanism (called the 'carriage sets') guided by tracks – one of which guides the carriage movement and the other guides the 'Engaging Means';

(g) finally, the whole stripping machine is moved by a sprocket mechanism attached to the main glove line chain. This allows the stripping machines to move in tandem with the main glove line using the force of the main line chain. This mechanism is called the 'main drive'.

[19] PW1 further testified that after plaintiff taking the assignment of the patent, the plaintiff took steps to inform the public in general of the patent by advertising the patent in *The Star* newspaper on 8 September 2010 and issuing a notice warning the public in general that any unauthorised act manufacturing, importing, offering for sale, selling, using and/or stocking of products which are manufactured by the methods claimed and protected by the said patent is an infringement of the patent. The plaintiff approached potential glove manufacturing companies to sell the auto strip machines. Initially, they managed to secure a deal to supply their auto stripping machines to Top Glove, one of the largest glove manufacturing companies in Malaysia. Subsequently, Top Glove discontinued their orders with the plaintiff. The plaintiff found out later that the defendants were selling auto stripping machines to Top Glove through Esteem Concord Sdn Bhd at lower price.

[20] It is claimed by the plaintiff that as a result of the defendants' infringement on the patent, the plaintiff is unable to penetrate into the Malaysian market due to fierce competition from the defendant.

[21] PW1 further testified that based on his visit to MyIPO web site, he discovered that the defendants are attempting to register for a patent for an invention titled 'Apparatus and Method For Unmolding a Flexible Film Article'. The application was filed on 18 April 2011.

[22] The most significant claim in the Malaysian patent is that of an horizontal apparatus for the peeling off a thin film material, as disclosed in Claim 2 above. The parentheses 300 refers to an horizontal apparatus which is

illustrated in Figure 23 of the Malaysian patent. Figure 23 is a view which described the construction of the horizontal peeling off apparatus related to the present invention.

[23] In order to prove the defendants had infringed the Malaysian patent, PW1 also tendered the defendants' certificate of warranty (exh 'P11' pp 52–64 Bundle C1) and operational manual (exh 'P12' pp 65–79 Bundle C1), a video recording taken of the defendants' glove stripping machine at Top Glove Factory 22 at Lot 4988, d/a Jalan Bunga Raya , Off Jalan Meru, Klang (exh 'P9' p 430A Bundle D3) and still photos of the defendants' glove stripping machine (exhs 'P13'. 'P14'. 'P15' and 'P16' pp 13, 16, 19, 25 and 29 Bundle D1).

[24] According to PW1, based on the defendants' operation manual and certificate of warranty, the documents show the following infringements of the Malaysian patent:

(a) the 'stripping mechanism' (carriage sets) shown resembles Fig 4 and 5 of the patent;

(b) the 'drive sprocket unit and tensioner unit' resembles Fig 23 of the patent;

(c) the 'air piping system' is a means used for the unrolling means stated in the patent Claim No 4; and

(d) the 'mechanical stripping machine system layout' resembles Fig 23 of the patent. The 'beading brush' is described as rolling means in the patent Claim No 1.

[25] In the plaintiff's statement of claim, the plaintiff had alleged that the defendants had infringed the said Malaysian patent by producing, manufacturing, supplying and offering the apparatus which consists the similar features, similar to the four features claimed and/or similar features in respect of the granted patent of the plaintiff.

[26] Further, the plaintiff alleged that the second defendant had produced and distributed the operation manual and a certificate of warranty in respect of the mechanical glove stripping machine to all the customers.

[27] During cross-examination of PW1 at question No 8 by learned counsel for the defendants, PW1 agreed that the plaintiff is not the inventor or the designer of the apparatus for peeling off thin film material. PW1 also agreed that the Malaysian Patent MY-124182-A and Japanese Patent No 2812353 have the same subject matter. PW1 in cross-examination at question 76, had also agreed that since the Malaysian patent was filed more than 31 months after the Japanese patent, the plaintiff cannot claim priority, novelty as well as any infringement.

[28] The plaintiff called its expert witness one Mr Hong Kam Huat (PW3) who graduated from Loughborough University of Technology, United Kingdom with a Bachelor Degree (Hons) in Materials Engineering. PW3 states that he has more that ten years of experience in glove manufacturing industry from 1990–2005. His area of expertise is mainly in the glove manufacturing process and machine, plant engineering and operation.

[29] PW3 began his evidence by describing how the glove stripping machine works by using a jig in the courtroom which had been specially assembled to mimic the plaintiff's glove stripping machine vis a vis the Malaysian patent. PW3 also referred to a video clip of the plaintiff's glove stripping machine in an actual environment (exh P8 at p 430A Bundle D3).

[30] PW3 has produced his report which can be seen at pp 700–708 Bundle D5. In the report, PW3 gave an overview of the glove stripping industry. At the beginning the glove stripping industry was developed mainly for stripping of natural latex glove. The system uses mainly high pressure high volume compressed air jet multiple nozzle to strip the gloves which worked well for latex glove. Product tearing was never an issue as the latex material is good in its tensile strength. However, during the mid 1990's, the glove industry started to convert their machines from natural latex to nitrile (synthetic rubber) gloves. The conventional system which was common at that time, was found to be not suitable to strip nitrile gloves as the strong air jet would damage the gloves. However, due to the unavailability of new invention, the conventional system remained in operation in the industry until the Fukuyama system. He states that the horizontal apparatus in the Malaysian patents has key inventive steps and advantages over other glove stripping machines in the industry and is the most applicable and innovation solution for nitrile gloves. In his report, PW3 also said that the vertical apparatus claimed by the Japanese patent and others are no longer practical and hard for implementation due to limited space and engineering complications on double former machines. He emphasises that the horizontal apparatus is not just a simple adaptation of the Japanese patent, William Howe and others. The horizontal apparatus is a proven engineering work piece which has been precisely designed by the inventor to solve the specific problem faced by the industry. PW3 further testified that the horizontal apparatus would ensure a consistent high stripping efficiency and reliability on the high speed double former machine.

[31] In relation to a pair of engaging nails, PW3 testifies that it is another well thought engineering outcome in the Malaysian patent. It's a simple compact mechanical device with either a pair of nails or single nail construction. The nail's open/close action is made possible the ramp up/ramp down rail-track via a cam rod attached to it and this is a breakthrough in mechanical engineering designs versus all other patents.

A THE DEFENDANTS' CASE

[32] In the defendants' re-amended defence and counter claim, the defendants had pleaded that the plaintiff does not have a cause of action against the defendants. At paras 4.9, 4.10 and 16, the defendants had challenged the assignment. The defendants' defence in summary had denied infringement of the four granted claims of Malaysian Patent MY-124182-A. The defendants contention in trial is that the Malaysian patent lacks novelty.

[33] DW1 the proprietor and director of the first defendant testified that he has been working in glove industry since 1982. In 1993 he started designing the glove tripping machine by trial and error. He conducted research to improve his design until sometimes in 2006 when he came out with the best model and sold it to Kosan Latex/Kosan Engineering. The defendant formerly known as Xin Xin Engineering and Trading had been supplying glove stripping machines to its customers since the year 2006. He confirmed that Top Glove is one of the defendants' customers. He then filed a patent for apparatus and method for unfolding a flexible film article with MyIPO under patent application No PI 2011100715 dated on 18 April 2011. The application is still pending with the MyIPO.

[34] The defendants called one Johan bin Sajuri (DW3) as its expert witness. DW3 has 23 years of experiences in latex dipping industries since 1989 after graduated from Malaysian University of Agriculture (UPM). He first embarked in latex dipping industries with Evergrade Latex Product Sdn Bhd as a production manager in the same year till 1992. Later in 1992 he moved to Glovco (M) Sdn Bhd as operation manager, the position he had held till 2005. In 2005 he joined Kendek Industries Sdn Bhd as project manager till 2010. He is currently with Hyres Chemical Sdn Bhd as director since 2010 till to date. He has served as consultant to Fabrica de Artefatos de Latex Sao Roque at Sao Paulo Brazil in 2010 to transfer new technology in producing medical glove. He was engaged by the defendants to present a comparative study on common proses step and features between Malaysia patent and others glove stripping machine in the market. He conducted a physical visual inspection of the defendants' machine at Biopro (M) Sdn Bhd at Port Klang. In respect of the plaintiff's machine, he conducted his physical inspection at LA Glove Sdn Bhd at Kajang. He also analysed the defendants' captures video clip on the defendants' machine with the granted patent claims, that is the Malaysian patent. DW3 has produced his combine evaluation report and supplementary report with one Lee Hon Min (DW4) on the defendants' glove stripping machine and the plaintiff's glove stripping machine. He confirmed that the defendants' machine and the plaintiff machine have used the seven steps of common steps and common features which are common processes and features of mold glove stripping machine. He stated that based on his analysis the

defendants' machine does not have the same features of first section of Claim 1 of the Malaysian patent. According to the first section of Claim 1, 'the apparatus for peeling off a thin film material, to dip a mold into a dipping liquid on the surface of the mold, to solidify said dipping liquid which is adhered, and to peel a thin film material, such as a glove which is formed on the surface of said mold off said mold'. In addition, the term 'beading brush' is not even mention in Claim 1. He therefore concluded in his expert opinion report entitled 'Comparative between Fukuyama and other glove stripping machine' dated 23 September 2012 that the defendants' machine did not infringe the Malaysian patent ('D2' pp 1–80 of Bundle E). The summary comparative study of DW3 on the operational process step and features between Fukuyama to other glove stripping machine in the market as follows:

Machine Number	Machine Detail	Common Process Step & Common Features							Mold position during stripping
		Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	
1	Fukuyama Netukan Co. Ltd *Apparatus for peeling off thin film article* (I have seen the machine in Laglove, 2005)	/ Brush	/ Nail	/ Brush Or Air jet	/	/	/	/	Horizontal
2	ACC Automation Company *Shell Article stripping Machine* (i have seen the machine in Fabrica de Artefatos de Latex Sao Paulo, Brazil, 2005-2010)	/ Brush	/ Nail	/ Brush	/	/	/	/	Vertical
3	Xin Xin Engineering *Automation glove*	/ Brush	/ Nail	/ Air jet	/	/	/	/	Horizontal

	stripping machine (I have seen this machine in Bioro, 2011)								
4	Hartalega Berhad Automation glove removal system (I have seen this machne in Matang Manufacturing Sdn Bhd 2008)	O Brush	/ Nail	/ Brush	/	/	/	/	Horizontal

/ : Having a same common process steps

O: Step as shown in table not present.

[35] Another expert witness of the defendants is one Lee Hon Min (DW4) who gave similar evidence and findings as DW3. DW4 is currently working as project manager in Kendek Industry Sdn Bhd. He graduated from University Kebangsaan Malaysia (UKM) with bachelor of engineering with honours in Mechanical Engineering. He was a project engineer and later promoted as project manager in Kendek Industry Sdn Bhd since 2004 till to date. He has more than ten years experience in glove industries. Kendek Industry Sdn Bhd also involves in installation and commissioning of glove auto-stripping machine business ('D42'). His scope of work includes designing of machinery related to latex industries machinery, especially gloves, balloons, condom, finger cot, toys, tester equipment and offline equipment in factories. In the course of his duties, he has visited gloves factories in Malaysia, Thailand, Indonesia, Brazil, India, Vietnam, China, Mexico, Brazil and Egypt ('D45'). He was given a task to analyse and evaluate recorded video clip of Xin Xin Engineering's (the defendants) glove stripping machine and video clip of the plaintiff's glove stripping machine to determine whether the Malaysian patent had been infringed by the Xin Xin Engineering's unit. Thus, his opinion is based on a consideration and comparison of the claims in Malaysian patent with Xin Xin Engineering's machine. He observed that Claim 1 is an independent claim while Claim 2 to –4 are dependent claims with dependency on Claim 1. DW4 concluded in his joint assessment report with DW3 that the defendants' glove stripping machine does not infringe Claim 1– to 4 of the Malaysian patent ('D22C' : pp 266–276 Bundle E – green bundle).

[36] Another expert witness of the defendants is one David Alan Wyatt (DW5) who has 25 years experience as attorney and patent agent. He has been in the field of intellectual property since 1988, with the focus on the preparation, filing and prosecution of patent application. He qualified as a European Patent Attorney in 1993 and was registered as a UK patent agent in 1994. He worked in London from July 1988–May 1996. In Jun 1996 he moved to Malaysia and joined Henry Goh & Co ever since. His current position at Henry & Goh is head of the patent department and executive director. In 1998 he sat and passed the Malaysian patent examination and became a registered patent agent, registered trademark agent and registered industrial design agent since 1999. Since 2009, he has appeared and gave evidence as expert witness before the Kuala Lumpur High Court (IP Court) and tendered opinions on Malaysian patent practice and the validity and infringement of Malaysian patents. In performing his task, he conducted an online patent search using the *Esp@cenet worldwide patent database(webaddress:hhtp://worldwide.espacenet.com/advancedSearch?local+enEP)* that contains a collection of the published patent documents from over 90 countries. He testified that that the subject matter of the Japanese application published in Japan by the Japan Patent Office before the filing date of the MY-124182-A, the granted patent. Because it was prior art published in Japan and has essentially the same content as the Malaysian patent, the invention of the Malaysian patent filed in 1998 was no longer novel. According to him the terms prior art refers to anything disclosed to the public before the filing date of the patent. He made comparison between the Japanese application published in 19 December 1995 and the Malaysian Pending Patent PI 98000107 at that time (in 30 June 2006 granted as MY-124182-A) and concluded that both carries and consists of same set features, that is components of the apparatus and functions of the apparatus for peeling off thin film material. Because of these similar set of features, under the Malaysian patent laws it is not novel.

[37] DW5 concluded that the Japanese application and the granted Malaysian patent relate to essentially the same invention and for that the Japanese Application No 07-329084 is prior art. He also concluded that because the Japanese patent application was filed on 9 June 1994, under Malaysia Patents Act 1983, the Japanese owner Fukuyama Netukan Co Ltd has missed the deadline available under the Malaysian Patents Act 1983 for filing a valid patent application, that is to file within 12 months (one year) of the first public disclosure of the invention in accordance with s 14(3)(a) of the Patents Act 1983 (amendment wef 1995). In this regards, the Japanese patent application was published on 19 December 1995 under Publication No 7-329084. The Malaysian Patent Application No PI 98000107 was filed on 10 January 1998. He produced his expert opinion report as exh 'D20' (pp 81–125 of Bundle E).

[38] The defendants also called one Naidu a/l Appanan (DW6), a qualified Malaysian patent agent. DW6 produced his expert opinion which can be found on pp 129–206 of Bundle E (exh 'D21A'). He explained and distinguished on the novelty and inventive-step. In essence, DW6 evidence is that both novelty and inventive-step is important and both these element must be satisfied. He compared the claims of the Malaysian patent with the features of the Japanese patent the prior art. PW6 stated that to determine whether an invention possesses novelty, each of the features (also known as claim element or claim integers) of a granted patent claim in the specification is compared with the features of a single prior art disclosure. If all the features of the granted patent claim are found in that prior art disclosure, the claim is not new in respect of that prior art disclosure. Based on his analysis, he made a conclusion that plaintiff's Claim 1 is not novelty over the prior art Japanese patent publication. Employing the same methodology, he concluded that plaintiff's Claim 2 is not novel with respect to the feature of vertical stripping of gloves. He also concluded that plaintiff's Claim 3 and 4 are not novel. I will elaborate more details on DW6 evidence below.

ISSUES TO BE TRIED

[39] It is agreed by parties that the issues to be tried are as follows:

(a) whether the plaintiff is entitled to bring this action against the defendants in respect of the Malaysian patent;

(b) whether the Malaysian patent is valid;

(c) whether the Malaysian patent possess inventive steps and novel; and

(d) whether the defendants' had infringed the Malaysian patent.

FINDINGS AND DECISION

[40] It is a trite principle that in order to determine whether a claim of a patent has been infringed one must first discover what is claimed.

[41] Paragraph 4 of the plaintiff's statement of claim plead that Fukuyama Netukan Co Ltd (Fukunetu Japan) was the registered owner of the Malaysian Patent No MY-124182-A, in which following an application on 10 January 1998, the Malaysian Patent No MY-124182-A was granted on 30 June 2006.

[42] At para 5, the plaintiff claims that from the deed of assignment dated 5 May 2011 between Fukuyama Netukan Co Ltd and the plaintiff, Fukuyama Netukan had assigned all rights and interests of the said Malaysian Patent No MY-124182-A to the plaintiff ('P3').

[43] Subsequently, the deed of assignment dated 5 May 2011 was registered on 11 July 2011 with MyIPO (Intellectual Property Corporation of Malaysia). A

[44] At para 8, the plaintiff pleads that the Malaysian Patent No MY-124182-A in respect of an invention titled 'Apparatus For Peeling Off Thin Material' consist of four granted claim. B

[45] The four granted claims are as follows:

(1) An apparatus (12, 300) for peeling off a thin film material to dip a mold into a dipping pool to adhere dipping liquid on the surface of the mold, and to peel the thin film material such as a glove, formed on the surface of the mold, off the mold, the apparatus comprises: a rolling means to roll the hem end of the mold, to the outside; an unrolling means to unroll the hem end of the thin film material which is rolled by the rolling means; an engaging means which has at least a pair of engaging nails to face each other across the mold, and engages the hem end of the thin film material by the unrolling means; and wherein the engaging means moves to the tip side of the thin film material while moving together with the mold in the state where the engaging means in engaged with the hem of the thin film material, and peels the thin film material off the mold. C D E

(2) The apparatus (12, 300) for peeling off a thin film material (39) as described in claim 1, wherein said apparatus (12, 300) for peeling off a thin film material (39) is a vertical peeling off apparatus (12) to peel a thin film material (39) off a vertical mold hand (40), or a horizontal peeling off apparatus (300) to peel a thin film material (39) off a horizontal mold hand (40). F

(3) The apparatus (12,300) for peeling off a thin material (39) as described in claim 1 wherein said engaging nails (64A, 66A, 200, 202) consists of outer nails (64A, 202) with which said mold (40) can be engaged, and inner nails (66A, 200) which can be extended or retracted between said outer nail (64A, 200) and said mold (40), said engaging nails (64A, 66A, 200, 202) are characterised in that: G

() said inner nails (66A,200) are retracted and contacted adjacent to the hem end (39A) of a thin film material (39) which is formed on the surface of the said mold (40); H

() said inner nails (66A,200), which in retracted at the hem end (39A) of the said thin film material (39) which is unrolled by said unrolling means (90, 204, 206), is covered; I

() said inner nail (66A, 200) which is covered with the hem end (39A) of the said thin film material (39) is extended and contacted the said inner nails (66A, 200) and said outer nails (64A, 202).

(4) The apparatus (12,300) for peeling off a thin film material (39) as described in claim 1, wherein said unrolling means (206) unrolls the hem end (39A) of the said film material (39) by blowing the air between the hem end (39A) of the thin film material (39) which is formed on the surface of said mold (40), and the surface of said mold (40).

[46] The invention that is claimed by the plaintiff's in the Malaysian Patent No MY-124182-A could be summarised as follows:

(a) an horizontal apparatus for peeling off a thin film material (Claim 1– and 2) comprising:

(i) a rolling means to roll the hem end of the mold, to the outside (Claim 1);

(ii) an unrolling means to unroll the hem end of the thin film material which is rolled by the rolling means wherein said unrolling means unrolls the hem end of said thin film material by blowing the air between the hem end of the thin film material (Claim 1 and 4); and

(iii) an engaging means which has been at least a pair of engaging nails to face each other across the mold, and engages the hem end of the thin film material with the engaging nails at unrolling the hem end of the thin film material by the unrolling means; and wherein the engaging means moves to the tip side of the thin film material while moving together with the mold in the state where the engaging means is engaged with the hem end of the thin film material, and peels the thin film material off the mold. (Claim 1 and 3).

[47] It is claimed by the plaintiff that the Malaysian Patent MY-124182-A also consisted all modifications and alternative constructions.

[48] The plaintiff alleged that the defendants had infringed the patent by producing, manufacturing, supplying and offering the apparatus which consists the similar features, similar to the four features claimed in respect of the granted patent of the plaintiff.

[49] The plaintiff also alleged that the defendants had produced and distributed the operation manual and a certificate of warranty in respect of the defendants' mechanical glove stripping machine to all the customers ('P10' at pp 65– to 79 *Ikatan Dokumen Bersama* C1).

[50] The defendants had denied infringement of the four granted claims. The defendants contended that the Malaysian patent is invalid for lack of novelty and/or inventive step pursuant to s 56(2)(a) of the Patents Act 1983.

[51] The defendants also contended that the plaintiff had failed to identify which part/parts of the defendants' glove stripping machines infringes any of the plaintiff's granted claims.

[52] I have perused the plaintiff's statement of claim. I find the pleadings do not specifically plead which part/parts of the defendants' glove stripping machine infringes which one of the four granted claims. What was pleaded at para 11 of the statement of claim that the defendants have sold glove stripping machines which infringed the Malaysian patent and placed them for use at the Top Glove factories.

[53] During the trial, the plaintiff showed a video clipping of the defendants' glove stripping machine ('P9'). However, the plaintiff has not brought any expert or provided any written expert report on the video clipping to show the alleged infringement.

[54] It is settled law that the question whether there has been infringement must be considered by comparing the alleged infringing article with the claim said to be infringed.

[55] In the case of *NEP Holdings (Malaysia) Berhad v CK Filtration Technology Sdn Bhd* [2013] 1 LNS 516, it was held that the question whether there has been infringement must be considered by comparing the alleged infringing article with the claim said to infringed. In other words, there must be an actual article of the product. There have been no product purchase or article of the defendants' glove stripping machine produced in court to show any evidence on which part/parts of the defendants' glove stripping that had infringed the four granted claims of the Malaysian patent.

[56] It was contended by the defendants that in order to proof the infringement, in the instant case the specific part/parts that has been infringed in plaintiff's Claim 1–4, the plaintiff must bring the article or product and at the very least a patent agent must explain which part of the defendants' machine infringes which of the alleged four granted claim. The plaintiff on the other hand argued that there is no legal requirement to physically bring the alleged infringing product or article into court. I agree with the defendants on this aspect. It is my considered opinion that the plaintiff cannot merely compare the operational manual and certificate of warranty and a video clipping of the defendants' glove stripping machine to proof on patent infringement. It cannot be done through photographic or video evidence or by

drawings of the infringing product or article. This court is also of the view that it is incorrect for the plaintiff to say that the operational manual and certificate of warranty and the video recording are evidence that the defendants are making, offering for sale, selling or using or stoking for such purposes the defendants' glove stripping machine. The plaintiff cannot compare the operation manual and certificate of warranty to claim for patent infringement.

[57] In *Copyright Law in Malaysia*, (3rd Ed) LexisNexis by Prof Khaw Lake Tee, the author at para 1.3.6, states:

> There are two distinct proprietary rights in work, one in the copyright and the other in the physical or material object which carries or incorporates the work. Ownership of one does not necessarily imply ownership of the other. The ownership of copyright in a book or a painting, for instance, is quite distinct from that of the physical object which is the book or the painting.

[58] Section 11 of the Patents Act 1983 provides:

> 11 Patentable inventions
>
> An invention is patentable if it is new, involves an inventive step and is industrially applicable.

[59] It is settled law that when the validity of a patent is under attack under the relevant provision of the Patents Act, the onus of proof lies, as regards each allegation, on the party launching the attack (see *Kendek Industry Sdn Bhd v Ecotherm (TFT) Sdn Bhd* [2010] MLJU 333; [2010] 10 CLJ 219, *General Tire and Rubber Co v Firestone Tyre and Rubber Co Ltd* [1972] RPC 457).

NOVELTY

[60] The defendants contended that the Malaysian patent formed part of the state of the art and is anticipated by the prior publication of the following prior arts, that is the Japanese patent.

[61] To determine whether a patentee's claim has been anticipated by an earlier publication, it is necessary to compare the features of the claims of the patent with the features of the prior art (*General Tire and Rubber Co v Firestone Tyre and Rubber Co Ltd*).

[62] Learned counsel for the plaintiff in his written submission enlisted the novelty of Claim 1, 3 and 4 of the Malaysian patent in opposing to Japanese patent, as follows:

Claim 1		
	Malaysia Patent	Japanese Patent
A	Rolling means	Rolling means
B	Unrolling means	Unrolling means
C	Engaging means	Engaging means
D	Horizontal apparatus	None
	A + B + C + D	A+B + C

Claim 3		
	Malaysia Patent	Japanese Patent
A	Engaging nails consist of outer nails and inner nails	Engaging nails consist of outer nails and inner nails
B	Inner nails are restricted and contracted	Inner nails are restricted and contracted
C	Inner nail which is retracted at the hem end of said thin film material which is rolled by the said unrolling means	Inner nail which is retracted at the hem end of said thin film material which is rolled by the said unrolling means
D	Horizontal apparatus	None
	A + B + C + D	A + B + C

Claim 4		
	Malaysia Patent	Japanese Patent
A	Said unrolling means unroll the hem of said thin film material by blowing the air	Said unrolling means unroll the hem of said thin film material by blowing the air
B	Horizontal apparatus	None
	A + B	A

[63] Based on the comparison as claims in the table above, it was submitted for plaintiff that the Japanese patent being a prior art does not contain clear and express directions to use its apparatus in a horizontal position, unlike the Malaysian patent. It is submitted that horizontal feature in the Malaysia patent does not present in the Japanese patent. Therefore, the horizontal feature in Malaysia patent is a novelty.

[64] In the case of *Seng Kong Shutter Industries Sdn Bhd & Anor v SKB Shutters Manufacturing Sdn Bhd* [2014] 5 MLJ 98; [2014] 4 CLJ 1037, the Court of Appeal had held that in considering the issue whether the plaintiff's patent has been anticipated by prior art, the correct approach to be adopted is

to compare the claims of the plaintiff's patent that defines the invention against the prior art, in the present case, the Japanese patent.

[65] For alleged prior art document to defeat the novelty if a patent claim, all of the integers in the said patent claim must be directly and clearly disclosed by the said document. It is trite that for a patent claim to be invalidated for lack of novelty, there cannot be a disclosure of some of the integers of the patent claim in one cited document and disclosure of the remaining integers in one or more other document.

[66] The defendant contended is that the feature of horizontal stripping claimed in Malaysia patent is merely a matter of adapting the vertical stripping method for stripping glove in the horizontal plane as appeared in Japanese patent.

[67] I have perused Claim 1, 3 and 4 of the Malaysian patent ('P2'). I find the term 'horizontal apparatus' does not exits or being used in Claim 1, 3 and 4. Hence, once the term 'horizontal apparatus' is removed from the claims in the tables referred above, all the features of Claim 1, 2 and 4 are also found in the Japanese patent. The plaintiff also claimed that the figure '300' appears under Claim 1, 2, 3 and 4 refers to horizontal apparatus. But nowhere in Claims 1, 2, 3 or 4 the words 'horizontal apparatus' being used to describe the apparatus.

[68] The defendants called DW6 (Naidu a/l Appanan) as their expert witness. DW6 who is currently a registered patent agent. He sat and passed the Malaysian patent examination in 2000. Since then, his scope of work involves advisory and consultancy to various clients pertaining to analysis and evaluation of the patentability of inventions, in particular in relation to novelty and inventive steps, patent specification drafting, patent filing, patent prosecution, as well as giving professional opinions on validity and infringement of patents. His scope of work also includes patents novelty and prior art searching for foreign and local clients.

[69] In the instant case, DW6 carried out an assessment of novelty by reference to the Japanese Patent Application No 07-329084 as the prior art. DW6 compared the features/elements of the claims in the Malaysian patent with similar features/elements in the Japanese Patent Application No 07-329084. DW6 produced his supplementary expert opinion ('D21A') and amendment to export report dated 26 March 2014 ('D21B').

[70] Below is the DW6's answer in supplementary questions No 1 and No 2 in relation to Claim 1 (DW-DW6B and DW-DW6C):

> Q1: Please refer to page 130-132 of green bundle (Bundle E) which is the part of your report that assess the novelty of Claim 1 of Malaysian Patent No. MY-124182-a filed 10 January 1998 over the prior art Japanese Patent publication No. 7-329084 on 19 December 1995 as found in pp. 197-209. Please explain your methodology behind your assessment.
>
> A1: In the table on these pages I broke down patent claim 1 of Malaysian Patent No. MY-124182-A into its constituent features in the left column.
>
> And in the right column, I have pointed out where I found the same features in the prior art Japanese patent application.
>
> Q: Please elaborate on these features.
>
> A2: The features of Claim 1 are 'a rolling means'. 'an unrolling means'. and 'an engaging means'. the latter having 'at least a pair of engaging nails'.
>
> In regard to the 'rolling means'. this feature can be found in the Japanese application, for example, by virtue of the brush 90 seen in Figure 13. See green bundle, page 205.
>
> In regard to the 'unrolling means'. this feature can be found in the Japanese application, for example, by virtue of the air nozzles 88 seen in Figure 15. See green bundle, page206.
>
> In regard to the 'engaging means having at least a pair of engaging nails'. this feature can be found in the Japanese application, for example, by virtue of the components referenced 100, 102 seen in Figure 16. See green bundle, page 206.

[71] DW6 then had concluded his observation and assessment as follows ('D21B'):

> This includes the feature in the Malaysian Patent of the adaptation of the vertical stripping apparatus of the invention for horizontal stripping, which is found to be not inventive in the light of a combination of relevant features disclosed in Japanese Patent Publication No. 07-329084 together with Malaysian Patent No. MY-109627-A.

[72] DW6 further testified that having employed the same methodology, he found Claims 2, 3 and 4 are not novel. He also testified, that based on the patent application (Patent Form No 1) filed by the patent agent for the applicant, there is no priority claim in Patent Form 1. There is no disclosure to MyIPO in the Patent Form No 1 that the Japanese patent Application No 6-127867 was published by the Japanese patent office on 19 December 1995 under Publication No 7-329084.

[73] The plaintiff's witness SP3 contended that the just because their

Malaysia Patent No MY-124182-A shares similar features with the prior art (the Japanese patent), this does not means that the Malaysian patent is invalid. I find this contention is flawed. The correct test is to compare the patent claims with description and drawings of the prior art. Learned counsel for the plaintiff submitted that DW5 and DW6 are essentially patent agent and no skilled in the glove stripping industry.

[74] Though DW6 was not from industry (glove stripping machines industry), he is obviously a man of considerable experience and distinction within the general field of science and technology, ie mechanical engineering, and in particular his knowledge of international and foreign patent laws. Having observed SP3 evidence and of DW6, I find DW6 evidence given with more conviction, comprehensive and most worthy of acceptance than that of SP3.

[75] I have also considered DW5 expert opinion which arrived at the same conclusion as of DW6. I accept DW6 evidence that based on the evidence, each of Claims 1 to –4 of the Malaysian patent was simply filed too late by more than one year after the publication of the Japanese patent, that is the prior art. The last possible date to validly file the Malaysian Patent was 19 December 1995. On the other hand, the Malaysian patent was filed on 19 January 1998, thus destroying the newness of the claimed invention.

[76] On the evidence, the defendants had succeeded by establishing that the Japanese patent's documents disclosed integers that had defeated the novelty of the plaintiff's claim. To this end, I find all the elements found in the plaintiff's patent Claim 1– to 4 are found in the Japanese patent. Thus, the plaintiff's invention does not met the requirements of s 14 of the Patents Act 1983 to be patentable under s 11 of the Act. The plaintiff's patent is thereby invalid for lack of novelty.

INVENTIVE STEP

[77] Under s 15 of the Act, an invention shall be considered an involving an inventive step if, having regard to any matter which forms part of art under s 14(2)(a) of the Act, such inventive step would have been obvious to a person having ordinary skill in the art.

[78] In *Seng Kong Shutter Industries Sdn Bhd & Anor v SKB Shutters Manufacturing Sdn Bhd*, the Court of Appeal held that in considering whether the invention claimed is obvious and hence did not involve any inventive step to devise the product or process falling within the scope of the claim, the relevant comparison is not between the preferred embodiment of the invention claimed and the prior art. Rather the question to be asked is 'to whom must the

invention be obvious?'. The primary evidence is therefore that of an expert, who can give evidence as to the nature of the unimaginative skilled addressee, the body of knowledge (the so-called common general knowledge) which would possess and the way in which such a skilled man would, as a matter of routine, approach problems. He can also identify steps which he believes would require a degree of lateral thinking and hence not be obvious to the skilled man (*Terrel on the Law of Patents* (15th Ed)).

[79] The test of obviousness was laid down in the case of *Windsurfing International Inc v Tabur Marine (Great Britain) Ltd* [1985] RPC 59 as follows:

(a) firstly, to identify the inventive concept of the claim in question;

(b) secondly, to identify the notional skilled addressee or person skilled in the art and the relevant common knowledge of the person;

(c) thirdly, to identify the differences between the state of the art and the inventive concept of the claimed invention; and

(d) fourthly, without the benefit of hindsight, to decide whether the difference identified constitute obvious steps to the notional person skilled in the art.

[80] A person skilled in the art is said to be a person who:

(a) possess common general knowledge of the subject matter in question;

(b) has a practical interest in the subject matter of the patent or is likely to act on the directions given in it; and

(c) whilst unimaginative is reasonably intelligent and wishes to make the directions in the patent works (see *McGhan Medical UK Ltd v Nagor Ltd and another* [2001] All ER (D) 361 (Feb)).

[81] I have considered the evidence of PW1 who is the inventor of the Malaysian patent and the evidence of PW3, the plaintiff's expert witness. It is to be noted that during cross-examination PW1 agreed that the plaintiff is not the inventor or the designer of the apparatus for peeling off thin film material. PW1 also agreed that the Fukuyama Patent MY-124182-A and Japanese Patent No 2812353 have the same subject matter. PW1 in cross-examination at Question 76, had also agreed that since the Malaysian patent was filed more than 31 months after the Japanese patent, the plaintiff cannot claim priority, novelty as well as any infringement.

[82] Section 14(3)(a) of the Patents Act 1983 (amendment wef 1995), for an applicant of a Malaysian patent to claim the priority of an earlier filed foreign patent application, the Malaysian patent application must be filed within 12 months of the filing date of the foreign patent application. The Japanese patent

application was published on 19 December 1995. The Malaysian Patent Application No PI 98000107 in the instant case was filed on 10 January 1998, that is way after the 12 months stipulated period under the law. The implication is that the invention lacks novelty over the publication of the Japanese application on 19 December 1995. As a result, even if a Malaysian patent is granted, it would be invalid under s 56(2)(a) of the Patents Act 1983 as the application was filed out of time. The publication of the Japanese patent application on 19 December 1995 means that it constitutes novelty-destroying prior art against the Malaysian patent application filed on 10 January 1998, since the final date of 19 December 1996 was missed for filing a valid Malaysian patent. Therefore, the Japanese patent cannot be used as a basis for granting the Malaysian patent application.

[83] Section 14 of the Patents Act 1983 provides:

> 14 Novelty
>
> (1) An invention is new if it is not anticipated by prior art.
>
> (2) Prior art shall consist of:
>
> (a) everything disclosed to the public, anywhere in the world, by written publication, by oral disclosure, by use or in any other way, prior to the priority date of the patent application claiming the invention;
>
> (b) the contents of a domestic patent application having an earlier priority date than the patent application referred to in paragraph (a) to the extent that such contents are included in the patent granted on the basis of the said domestic patent application.
>
> A disclosure made under paragraph (2)(a) shall be disregarded:
>
> (a) if such disclosure occurred within one year preceding the date of the patent application and if such disclosure was by reason or in consequence of acts committed by the applicant or his predecessor in title;
>
> (b) if such disclosure occurred within one year preceding the date of the patent application and if such disclosure was by reason or in consequence of any abuse of the rights of the applicant or his predecessor in title;
>
> (c) if such disclosure is by way of a pending application to register the patent in the United Kingdom Patent Office as at the date of coming into force of this Act.
>
> The provisions of subsection (2) shall not exclude the patentability of any substance or composition, comprised in the prior art, for use in a method referred to in paragraph 13(1)(d), if its use in any such method is not comprised in the prior art.

[84] In short, s 14 requires an invention to be new, ie it should not form part of the state of the art on the date of filing the patent application. Therefore to

secure a patent, novelty is a fundamental requirement.

[85] In *Terall on the Law of Patents* (15th Ed) it is stated at p 199 as follows:

> It has been said that there cannot in any event be an infringement of an invalid patent. Thus Jacob J said in *Organon Teknika v Hoffman-La Roche* [1996] FSR 383 at 386: 'In English law validity and infringement are part of the same questions. You cannot infringe an invalid claim, even if you fall within its language'.

ISSUE ON ASSIGNMENT

[86] It was submitted for the defendants that the deed of assignment dated 5 May 2011 ('P3') does not confer an absolute rights to the plaintiff to bring this claim by way of assignment. It was contended that the assignor had only intended to give the plaintiff (assignee) a licence to manufacture. The submission was premised on the following clauses of the deed of assignment:

> 11.1: The assignor shall have at all times remain as the registered holder of the Patent in Malaysia, Thailand and any other territory.
>
> 11.2: ... provided that the prior written consent of assignor ...
>
> 11.3: ... in the event of infringement of the AP (Assigned Property), the assignor (or with the assignee) shall take legal action ...
>
> 11.4: ... cost of the legal expenses shall be borne equally by the assignor and assignee ...
>
> 11.5: The assignor will keep and maintain the said patent duly registered under the Patent Act and will not do any act or thing which would prejudice the grant of the said patent or make any amendment therein without informing the assignee.
>
> 11.6: During the periodical on-site audit by the assignor or its agent, serial numbers and certification tags will be issued to the respective machines in work-in-progress and will be duly welded/attached to the respective machine by the assignee so as to officially certify the machine in questioned as a licensed product of the patent owner.

[87] The plaintiff on the other hand contended that the plaintiff, having taken an assignment of the Malaysian patent stands in the shoe of the patent owner. The assignment has been recorded by MyIPO and thus, the plaintiff is clothed with all the rights of the owner of a patent including the right to institute court proceedings against any infringer and to obtain an award for damages and injunction. It was also submitted that the plaintiff is not a licensee. The plaintiff relied on cll 9, 16, 10 and the covenants under para 4 of the deed of assignment ('P3') as evident of an absolute assignment.

[88] I have perused all the relevant clauses referred to by the plaintiff. Clause 9 provides that the agreement shall remain in full force and effect for the duration of the patent unless terminated earlier by either party for breach of the terms and conditions of the agreement. Clause 16 provides that the instrument (the agreement) may not be waived, released, discharged, abandoned, changed or modified in any manner, orally or otherwise except by an instrument in writing signed by duly authorised officers or representatives of the parties hereto. Clause 10 provides that the parties agree that the agreement may not be assigned by other party. Under para 4 the assignor covenants with the plaintiff that the assignor has full right and absolute authority to assign the said patent in the manner aforesaid. Clause 7 provides for payments to the assignor in consideration of the exclusive rights to manufacture the machinery and sell the machinery.

[89] It is important to observe the provisions of sub-para (I) and (II) in para 3 of the deed of assignment.

Sub-paragraph (I) provides:

> In the event of infringement of the AP (assigned property) the assignee shall take or initiate any legal action to prevent infringement thereof, provided with the prior consent of assignor which consent the assignor will not unreasonably withhold, the cost of any such action shall be borne by the assignee absolutely. Any compensation/damages or payment obtained by the assignee shall be shared equally by both parties after deducting all legal expenses incurred in the said proceedings.

Sub-paragraph (II) provides:

> Notwithstanding paragraph (I) above, in the event of infringement of the AP, the assignor (or with the assignee) shall take legal action if no legal action is taken by assignee or assignee is unable to take legal action independently, in which case, the cost of the legal expenses shall be borne equally by the assignor and assignee and both shall be entitled to equal share, if any, of compensation, damages, payment obtained there from.

[90] Section 61 of the Patents Act 1983 provides:

> (1) For the purposes of this section, 'beneficiary' means –
>
> (a) any licensee unless the licence contract provides that the provisions of this subsection do not apply or provides different provisions;
>
> (b) the beneficiary of a compulsory licence granted under section 51.
>
> (2) Any beneficiary may request the owner of the patent to institute Court proceedings for any infringement indicated by the beneficiary, who shall specify the relief desired.
>
> (3) The beneficiary may, if he proves that the owner of the patent received the request but refuses or fails to institute the proceedings within three

months from the receipt of the request, institute the proceedings in his own name, after notifying the owner of the patent of his intention but the owner shall have the right to join in the proceedings.

(4) Notwithstanding that the three-month period referred to in subsection (3) has not been satisfied, the Court shall, on the request of the beneficiary, grant an appropriate injunction to prevent infringement or to prohibit its continuation, if the beneficiary proves that immediate action is necessary to avoid substantial damage.

[91] Having considered the deed of assignment ('P3'), it is my considered view that the deed of assignment entered between the plaintiff and Fukuyama Netukan Co Ltd (Japan) is not an absolute assignment. The assignor only intended to give the plaintiff (assignee) a licence and right to manufacture the machinery directly within the territory. The assignor still retains and controls ownership of the patent. The assignor also controls the serial numbers of each machine manufactured and right to conduct periodic audits. For plaintiff to claim absolute assignment, the assignment must be absolute, not conditional (see *Snell's Equity*, (13th Ed) at pp 84—85). In short, the deed of assignment clearly showing that Fukuyama Netukan Co Ltd (Fukunetu Japan) had only assigned the patent to the plaintiff which is conditional.

[92] In the case of *Premier Products Co Ltd & Anor v Zamrud Fibre Industries (M) Sdn Bhd & Anor* [1994] MLJU 153; [1994] 4 CLJ 1043, the court held as follows:

> It is quite clear under s 59(1) of the Act that it is the owner of the patent who shall have the right to institute court proceedings for infringement but a licensee may, under s 61(2) of the Act, request the owner of the patent to do so. Only if the owner had refused the request or failed to institute the proceedings within three months from the receipt of the request, as provided in s 61(3) of the Act, can the licencee institute the proceedings in his own name after notifying the owner but the owner shall have the right to join in the proceedings. There is no evidence here that any of these steps had taken place except for a letter dated 23 August 1993 from the first plaintiff authorising the second plaintiff to institute infringement proceedings which is not exactly in conformity with the provisions of the Act. In effect the licencee cannot institute the proceedings and can do so only if the owner has failed to do so within three months of the licencee's request. In consequence, the second plaintiff in fact has no right to be a party to the action.

[93] I find that the plaintiff have failed to show any document satisfying the pre-conditions of s 61 of the Patents Act 1983 that they had requested the owner of the patent (Fukuyama Netuken Co Ltd) (Fukunetu Japan) to institute the proceedings and neither was there proof that Fukunetu Japan had refused to institute proceedings within three months from the receipt of the request. My answer for the first issue (a) is therefore, in negative.

A CONCLUSION

[94] Having considered the evidence of the plaintiff and the defendants, documents tendered and submission by both learned counsel for the plaintiff and the defendants, I hold that the defendants have established that Malaysian Patent is not novel in view of the Japanese application prior art. It is my considered view also that the plaintiff claimed of 'horizontal apparatus' does not differ from the vertical peeling apparatus as disclosed in the Japanese application. The construction of the peeling off apparatus parenthesis 300 (which refers to horizontal apparatus) in Malaysian granted patent is basically the same as the vertical peeling off apparatus, move in a horizontal direction. Therefore, Claim 2 is not novel in view of the Japanese application. The plaintiff had not shown that its glove stripping machine can be working either vertically or horizontally. As such the Japanese patent cannot be used as a basis for granting the Malaysian patent application. I accept DW6 evidence that the proper test on patent novelty in to assess and compare the Malaysian granted claims and what was described and illustrated in Japanese application. This court is also of the view that the Malaysian patent was filed out of time as required under s 14(3)(a) of the Malaysian Patents Act 1983 (amendment wef 1995). Since the invention lacks novelty, any patent granted would be invalid under s 56(2)(a) of the Act.

[95] I hold that the plaintiff has failed to proof its case on the balance of probabilities that the defendants had infringed the Malaysian Patent MY-124182-A ('P2').

[96] I shall therefore dismiss the action with costs.

[97] On the other hand, I find the defendants had proven its counterclaim on the balance of probabilities. The defendants counterclaim at para 77 as re-amended is allowed with costs.

COSTS

[98] Mr Ravin Woodhull learned counsel for the defendants prayed for RM150,000. On the other hand, Mr K C Ang learned counsel for the plaintiff prayed for RM20,000 as reasonable and adequate. Having considered the submission, this court is of the view that a sum of RM50,000 is reasonable and fair to be ordered as costs to be paid by the plaintiff to the defendants. I so order.

Claim dismissed and counterclaim allowed with costs.

Reported by Kanesh Sundrum